AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1232

Introduced by Assembly Member Huffman

February 27, 2009

An act to—amend Section 56430 of add Section 56375.2 to the Government Code, relating to—local agency formation commissions local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1232, as amended, Huffman. Local agency formation commissions: service reviews. powers and duties.

Existing law requires the local agency formation commission in each county, to, among other things, review and approve or disapprove proposals for changes of organization, or reorganization, and authorizes the commission to initiate proposals for the formation, consolidation, or dissolution of a district, a merger, or the establishment of a subsidiary district, as specified.

This bill would authorize the commission in specified counties to initiate and approve the consolidation of one or more small wastewater agencies within specified counties if certain conditions exist.

(1) Existing law establishes in each county a local agency formation commission. The commission is required to develop and determine the sphere of influence of each local governmental agency within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere. Existing law requires the commission to conduct a service review of the municipal services provided in the county or other appropriate area designated by the

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eommission, make specific determinations, and prepare a written statement of those determinations.

This bill would require a commission to make and include in the written statement projected cost and budget increases associated with future regulatory requirements, including, but not limited to, infrastructure replacement and upgrades. By increasing the duties of a local agency formation commission, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes-no</u>. State-mandated local program: <u>yes-no</u>.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares the 2 following:
 - (a) The federal Clean Water Act prohibits the discharge of pollutants into water of the United States except in compliance with various sections of that act, including permits for treated discharge of wastewater.
 - (b) Wastewater sewer systems collect, transport, and treat wastewater sewage. However, illegal sewage spills of raw or partially treated sewage often occur and are commonly caused by severe weather and improper system operation and maintenance.
 - (c) The United States Environmental Protection Agency estimates that there are at least 40,000 sewage spills each year. The sewage from these spills can contaminate our waters, causing serious water quality problems.
 - (d) San Francisco Bay is part of a critically important estuary that supports large numbers of birds, fish, and wildlife, including threatened and endangered species. The bay and estuary are also linked to the water supply for over two-thirds of the state's population.

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(e) The San Francisco Bay Regional Water Quality Control Board reports that over 2,000 separate illegal sewage spills occurred between 2004 and 2007. Over 500 of the spills exceeded 1,000 gallons. One of the largest spills was 2.5 million gallons in Marin County, which illegally discharged both untreated and partially treated sewage into Richardson Bay, which is an ecologically sensitive area.

- (f) Small wastewater agencies are often challenged with the high cost of maintenance and repair of sewer lines and treatment plants. To reduce water quality problems and to increase system efficiencies, in 2004 the Marin County Local Area Formation Commission recommended a consolidation plan for 11 small wastewater agencies.
- (g) It is the intent of the Legislature to increase the effectiveness and efficiency of small wastewater agencies and reduce the impacts of water quality due to illegal sewage spills.
- 17 SEC. 2. Section 56375.2 is added to the Government Code, to 18 read:
 - 56375.2. (a) For purposes of this section the following terms have the following meanings:
 - (1) "San Francisco Bay area counties" means the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, San Francisco, Solano, and Sonoma.
 - (2) "Small wastewater agencies" means sanitation districts and local governments that provide sewer and wastewater collection or treatment services to a population of 20,000 or less.
 - (b) In addition to those powers enumerated in Section 56375, a commission located in any of the San Francisco Bay area counties, may initiate and approve, after notice and hearing, a consolidation of small wastewater agencies, without protest hearings, if both of the following conditions exist:
 - (1) A commission municipal services report, completed within the prior 10 years, recommends consolidation.
 - (2) The wastewater agencies affected have had, or have contributed to, three or more illegal discharges in the last five years that exceed 5,000 gallons of untreated or partially treated wastewater to waters of the state.
- 38 (c) A commission may require consolidation of a small 39 wastewater agency with a larger wastewater agency where the

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1 larger agency does not meet the conditions required by subdivision 2 (b).

- (d) This section shall become effective on January 1, 2011.
- SECTION 1. Section 56430 of the Government Code is amended to read:

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
 - (3) Financial ability of agencies to provide services.
 - (4) Status of, and opportunities for, shared facilities.
- (5) Accountability for community service needs, including governmental structure and operational efficiencies.
- (6) Projected cost and budget increases associated with future regulatory requirements, including, but not limited to, infrastructure replacement and upgrades.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.
- (c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.
- SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made

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- pursuant to Part 7 (commencing with Section 17500) of Division
 4 of Title 2 of the Government Code.